

Financial Summary 2016-2017

The commitment to academic excellence is the foundation of Villanova's growing array of educational and research opportunities. So is its practice of financial discipline.

As a nationally ranked doctoral university, Villanova continues to devote resources to its academic mission and priorities, including a range of scholarly activities across its six colleges, some of which are highlighted in this publication. The University also has made significant progress on initiatives that will enhance Villanova's living and learning environments.

In fiscal 2017, the University strengthened its financial position and reached several new thresholds. One of these was in the area of financial aid. Making a Villanova education accessible to high-achieving and diverse students is one of the University's strategic priorities. This year, for the first time, this assistance exceeded \$100 million. It is helping more qualified students to realize their dreams of coming to Villanova.

At the same time, Villanova's sustained financial discipline was recognized by Standard & Poor's in a recent affirmation of the University's A+ credit rating and upgrade of the outlook from stable to positive. Thanks to the continued success of the Villanova Campaign to Ignite Change, net assets surged past the \$1 billion mark for the first time. Additionally, the endowment reached an all-time high of \$640 million.

The University's solid financial footing also provided the foundation for capital projects that are creating and reimagining spaces on campus where Villanovans will live, work, study and gather. A new 1,135-bed residence hall community and pedestrian bridge spanning Lancaster Avenue have taken shape over the last year, and construction of a state-of-the-art Performing Arts Center will begin in the coming months. The Finneran Pavilion is also undergoing a complete renovation.

Other highlights from fiscal 2017 include the following:

- Cash and investments increased by \$120 million to an all-time high of \$875 million, primarily as a result of endowment growth and benefiting from a robust return of 12.5 percent.
- Pledges increased by \$13.4 million to \$107.7 million, a result of the continued success of the Villanova Campaign to Ignite Change, which exceeded the \$600 million goal.
- Land, buildings and equipment value grew by \$69.5 million to \$460.9 million as a result of continued Lancaster Avenue development and renovation of the Finneran Pavilion.
- The University's operating income of \$44.8 million resulted in a 10.2 percent margin.

More detail about the University's financial statements and rating reports can be found at www.villanova.edu/finance/office.

Sincerely,



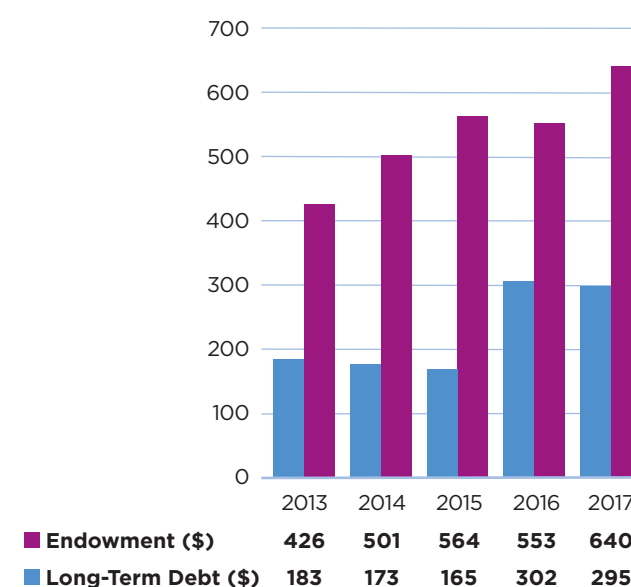
Kenneth G. Valosky '82
Executive Vice President

Balance Sheets (\$ in thousands)

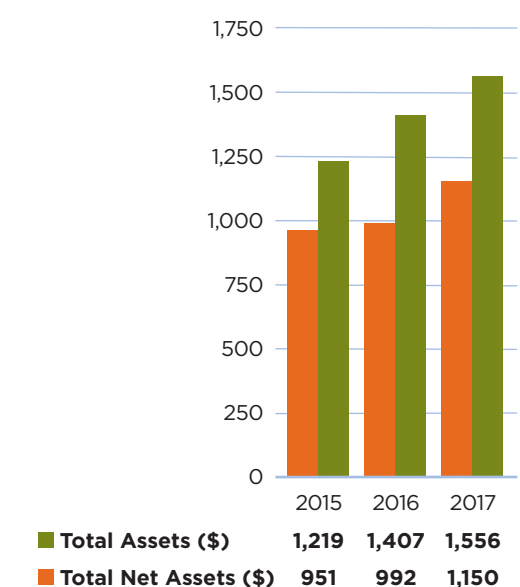
as of May 31

	2017	2016	2015
ASSETS			
Cash and short-term investments	\$ 178,061	\$ 198,916	\$ 188,861
Long-term investments at market	697,265	556,910	568,483
Accounts receivable, net	119,619	107,670	90,407
Other assets	4,491	3,753	4,512
Assets whose use is limited	95,565	137,907	2,106
Student loans receivable, net	10,497	10,864	10,981
Land, buildings and equipment, net	460,932	391,440	353,913
TOTAL ASSETS	\$1,566,430	\$1,407,460	\$1,219,263
LIABILITIES			
Accounts payable and accrued expenses	\$ 66,993	\$ 58,907	\$ 47,758
Deposits and deferred revenue	23,829	19,958	20,229
Long-term obligations	294,532	301,956	164,914
Other liabilities	31,318	34,685	35,019
TOTAL LIABILITIES	\$ 416,672	\$ 415,506	\$ 267,920
NET ASSETS	1,149,758	991,954	951,343
TOTAL LIABILITIES AND NET ASSETS	\$1,566,430	\$1,407,460	\$1,219,263

Endowment vs. Long-term Debt (\$ in millions)



Net Assets (\$ in millions)

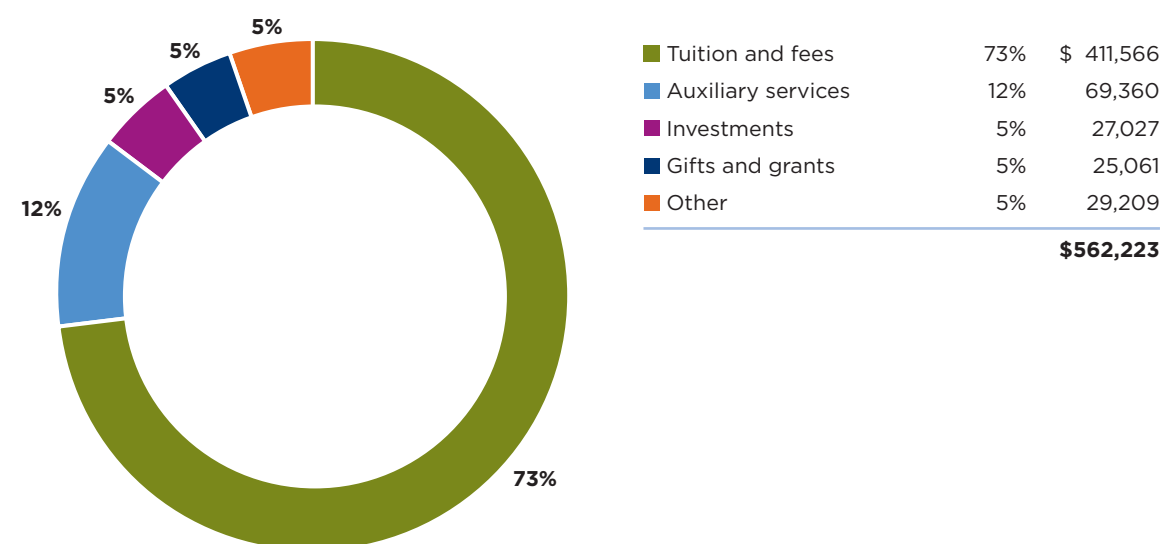


Unrestricted Revenues and Expenses (\$ in thousands) as of May 31

	2017	2016	2015
Operating Revenues			
Student-related revenue:			
Student tuition and fees	\$ 411,566	\$ 391,658	\$ 377,257
Sales and services of auxiliary enterprises	69,360	69,282	67,173
	\$480,926	\$460,940	\$444,430
Private gifts and grants	18,129	16,423	14,974
Government grants	6,932	6,326	6,822
Endowment resources	13,025	11,421	10,514
Investment income	2,283	1,226	148
Other sources	19,584	21,531	18,198
Net assets released from restrictions	21,344	17,020	16,132
TOTAL OPERATING REVENUES	\$ 562,223	\$ 534,887	\$ 511,218

	2017	2016	2015
Operating Expenses			
Salaries and employee benefits	\$256,391	\$249,385	\$ 240,711
Financial aid	124,456	117,051	109,202
Supplies, services and other	103,092	100,455	103,848
Depreciation	21,020	19,434	18,983
Interest on indebtedness	5,489	6,373	5,814
Utilities	6,934	7,024	8,188
TOTAL OPERATING EXPENSES	\$517,382	\$499,722	\$486,746
AMOUNTS RESERVED FOR CAPITAL EXPENDITURES, DEBT PRINCIPAL PAYMENTS AND STRATEGIC INITIATIVES	\$44,841	\$35,165	\$24,472

Sources of Operating Revenue 2017



Distribution of Expenses 2017

